Agenda Item: 049

# COUNCIL COMMUNICATION City Manager's Office

## **GENERAL INFORMATION**

Agenda Date: 06/07/04 No.: 04-262 Agenda Item Type: Resolution No.: Communication

Roll Call

Submitted by: Eric Anderson, City Manager

#### SUBJECT—

Reprogramming of prior years Community Development Block Grant (CDBG) funds and allocation of additional 2004 Consolidated Plan funding.

#### SYNOPSIS—

City Council approval to carry over unspent CDBG funds to the 2005 Program Year (PY) and allocate additional 2004 Home Investment Partnerships (HOME) Program and Emergency Shelter Grant (ESG) funds.

#### FISCAL IMPACT—

Carry over \$97,199 of unspent CDBG funds to supplement the PY 2005 Consolidated Plan and allocate additional 2004 HOME and ESG funds to three (3) current projects.

### **RECOMMENDATION**—

Approval.

#### BACKGROUND—

The following is a list of CDBG projects, which have unspent funds from the 2001 & 2003 Program Years:

Project	Amount
2001 NCS Grandshire Plumbing Hook-ups	9,277
2003 Sec.108 Loan Repayment	5,468
2003 Public Works Cleanups	95,946



2003 Institute for Social & Economic Development	73
2003 NCS Technical Assistance	27,952
2003 HSPA Child Care	5,954
2003 IHYC Reggie's' Place	6,552
2003 Special Assessment Subsidy	5,684
2003 Home, Inc AHEC	3,414
2003 CCI Homeownership	513
2003 MTA	18,366

Total \$ 179,199 All eligible homeowners, who applied, received assistance under the Grandshire Sewer Hook-up project originally funded at \$150,000 in 2001.

The unspent Sec. 108 loan repayment is a result of a "floating" interest rate and estimating more than was needed in 2003.

The Cleanup project received \$368,820 in program income in 2003. Added to the \$200,000 allocation for 2003, the program had \$568,820 available in 2003. Project expenditures totaled \$247,874. In November, the Council approved allocating \$100,000 of 2003 Clean-up funds to the money available for the 2004 Action Year Plan. An additional \$125,000 was allocated for the 2004 Clean-up project leaving the unspent -balance of \$95,946 for reprogramming.

ISED, Home Inc, HSPA, NCS - T/A, IHYC, CCI, Special Assessment Subsidy and the MTA all under-spent their 2003 allocations.

The \$179,199 in unspent CDBG funds together with the additional allocation of \$108,000 in 2004 CDBG entitlement funds total \$287,199 available for allocation.

At the Public Hearing approving the 2004 Consolidated Plan on November 17, 2003, the City Council approved allocating unspent funds, if available to the NFC Homebuyer Program and the New Directions Shelter.

At the special meeting on March 1, 2004, the City Council approved the following amendments to the 2004 Consolidated Plan.

Project		Amount
NFC - Homebuyer Program		\$50,000
Hawthorn Hill - New Directio	ns Shelter	30,000
NBSD – Code Enforcement		15,000
Public Works – NIRP		20,000
CIETC – Training for Disable	1	25,000
Neighborhood Site Office – Fo	od Baskets	50,000
r	Fotal	\$190,000

Deducting the amount that has been allocated leaves **\$97,199** in unspent/unallocated funding.

Because of the very real likelihood of reduced federal funding in 2005, the Neighborhood Revitalization Board (NRB), at their meeting on April 7, 2004 recommended that these funds be retained and be used to supplement the PY 2005 project allocations.

In addition to the \$108,000 of added CDBG funding for 2004, the City also received \$39,160 more in HOME and \$9,421 more in ESG funding than was estimated in August 2003. At the April 7 meeting the NRB recommended that the HOME funds be added to the NCS New Construction component. The NRB also recommended that \$6,000 of the additional ESG money be allocated to IHYC – Reggie's Place. IHYC did not understand that they could request to carry over the \$6,552 in unspent 2003 funds that resulted from a mid-year start-up. This allocation would replace the amount reprogrammed. They also recommended that the remaining \$3,421 be allocated to the New Directions Shelter to help ensure that the program continues. The agency has taken steps to refinance the facility at a lower rate and appears to be committed to continuing this needed program for homeless women and children.